

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

STARRED QUESTION NO:525
ANSWERED ON:03.05.2000
MINIMUM SUPPORT PRICE
AJAY CHAKRABORTY

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether under the Minimum Support Price (MSP) operation for agricultural produce, the Government reimburses online loss incurred by the nodal agencies for MSP operations;
- (b) if so, procurement losses incurred and reimbursed by the Government for commercial crops like jute, cotton and copra during each of the last three years;
- (c) whether the losses incurred under MSP operations for jute by Jute Corporation of India is still pending for reimbursement;
- (d) if so, the details thereof; and
- (e) the time by which the entire losses are proposed to be reimbursed?

Answer

MINISTER OF AGRICULTURE (SHRI SUNDAR LAL PATWA)

(a) to (e): A statement is laid on the Table of the Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO.525 TO BE ANSWERED ON THE 3rd MAY, 2000 IN THE LOK SABHA.

(a) The Government announces the Minimum Support Price (MSP) for major agricultural commodities every year and the losses if any, incurred by the respective central nodal agencies on MSP operations are required to be reimbursed by the Government of India on submission of claims.

(b) A statement showing losses incurred on account of procurement of jute, cotton and copra under MSP operations during the last three years, is annexed. Since there were no losses in respect of cotton & copra, during 1997-98, 1998-99 no reimbursements were required to be made. Position of losses for the year 1999- 2000 is not yet clear because the season is continuing.

(c) Yes, Sir.

(d)&(e) Since 1996-97, Jute Corporation of India (JCI) has not been paid any subsidy towards losses incurred for undertaking price support operations. Instead they have been given loan by the Government. As per information available, the cumulative subsidy paid to JCI between 1972-73 to 1998-99 is Rs.222.4 crores while cumulative subsidy payable, for the period, is Rs.353.16 crores. The cumulative loan paid during the period is Rs.125.18 crores. A proposal is already under consideration to reimburse losses of the JCI and convert loans into subsidies.

ANNEXURE

LOSSES INCURRED ON ACCOUNT OF PROCUREMENT OF COTTON, JUTE AND COPRA UNDER MINIMUM SUPPORT PRICE (MSP) OPERATION.

(Rupees in lakhs)

Year Cotton Jute Copra

Quantity procured (bales of	Value procured	Losses	Quantity procured (bales of	Value procured	Losses	Quantity procured (Metric	Value procured	Losses
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170 kgs) 180 kgs) tonnes)

1997-98 NIL NIL NIL 985,000 971.8 1398 NIL NIL NIL
1998-99 NIL NIL NIL 13,000 136.0 6206 1168 338 NIL
99-2000 7874 508.0 In Pro- 18,000 259 5469 9000 2700 In

(Provi- gress progress
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